

[Sri V. Ramaiah] [3rd February 1966]

in these villages. The arrangements made for procurement in these villages have, therefore, been adequate and there is no dullness in procurement operation.

IV.—STATEMENT BY MINISTER FOR INDUSTRIES *RE*.
PURCHASE OF LAND BY THE
MADRAS STATE ELECTRICITY BOARD.

THE HON. SRI R. VENKATARAMAN : Mr. Speaker, Sir, I wish to make the following statement :—

In the course of the discussion on the Annual Financial Statements of the Electricity Board in July 1965, Sri M. Karunanithi referred to the purchase of 400 grounds of lands on Erukancheri road near Basin Bridge by the Electricity Board from two individuals, Messrs. K. T. Janakiraman and S. N. Balaraman, by direct purchase through a sale deed for Rs. 4,68,873 in the month of August 1963 while the vendors had themselves purchased the lands by a sale deed, dated 27th March 1963 for an amount of Rs. 1,90,000. He further alleged that Messrs. Janakiraman and Balaraman when they first purchased the lands had only invested Rs. 36,000 in cash and have executed a simple mortgage for Rs. 1,43,500 in favour of one Sri Chidambaram Chettiar. They also mortgaged the lands for the balance of Rs. 11,000 to one Sri Sivagurunathan. The Electricity Board redeemed the two mortgage amounts of Rs. 1,43,500 due to Sri Chidambaram Chettiar and Rs. 11,000 due to Sri Sivagurunathan and the balance of Rs. 3,14,393 was paid by the Board in cash to Sri K. T. Janakiraman and Sri S. N. Balaraman. Thus, for a cash investment of Rs. 36,000 and as against a purchase price of Rs. 1,90,000 for the lands bought by Messrs. K. T. Janakiraman and S. N. Balaraman on 27th March 1963, within a period of four months the lands were sold and the Electricity Board had arranged to purchase the lands for Rs. 4,68,873. At the time of my reply to the discussion on the Budget of the Electricity Board I gave an assurance in the House that the propriety of the transaction would be remitted to the Accountant-General in audit. Subsequent to the Budget discussions, the original records of the Electricity Board and of the Collector of Madras were obtained. A scrutiny of these records revealed that the Board had acted on the valuation approved by the Collector of Madras which was based on the Tahsildar's report. In pursuance of my assurance to the House the Accountant-General was addressed to scrutinise the relevant records of the Board and advise Government on the propriety of the transaction. The Accountant-General who has gone into the question of propriety of the transaction has stated as follows :—

“ The question of acquiring private lands to the extent of 400 grounds situated in R.S. No. 124/6 Perambur Division was under the consideration of the Madras State Electricity Board since May 1962 for constructing quarters. The Superintending Engineer had conveyed the offer of two private parties (Savashri K. T. Janakiraman and S. N. Balaraman said to be the joint

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owners). Since the price demanded was Rs. 1,500 per ground as against Rs. 500 recommended by the Executive Engineer, Madras State Electricity Board, a reference appears to have been made to the Collector of Madras in August 1962 to report to the reasonable market value of the piece of land. The Collector is said to have reported in November 1962 that Rs. 1,200 per ground was the reasonable market value. Thereupon, the Electricity Board formally sanctioned in March 1963 the purchase of the land at Rs. 4.80 lakhs on condition that steps should be taken to acquire the land through the Collector of Madras. Since the specific sanction of the Government was required for the Collector to acquire the lands through Land Acquisition Proceedings for housing purposes within Municipal limits, the Electricity Board authorised the direct purchase of the land subject to the condition that the title to the lands was got duly verified by the Legal Adviser in consultation with the Collector of Madras and the sale executed through the Legal Adviser. The title deed was got examined by the Legal Adviser and the sale deed was executed in August 1963 and payment was made. The transaction is within the competence of the Madras State Electricity Board under section 12 of the Electricity (Supply) Act, 1948."

The Government observe that the Accountant-General has not brought to notice any irregularity in the transactions and have accepted his advice that it is within the competence of the Madras State Electricity Board.

V.—DISCUSSION ON THE GOVERNOR'S ADDRESS—*cont.*

MR. SPEAKER: Now we may resume the discussion on the Governor's address. The hon. Members who have given notice of amendments to the Motion of Thanks to the Governor's Address, may move their respective amendments.

SRI V. R. NEDUNCHEZHIAN: Sir, I move the following amendments:—

(1) "Add at the end the following:—

'but regret the failure to mention anything about the execution of Cauvery Water-supply Scheme to provide drinking water facilities in the City of Madras.'"

(2) "Add at the end the following:—

'but regret that in the Governor's Address there is no mention regarding the constitution of a representative committee to chalk out a standing policy and to devise concrete steps for the control and reduction of prices of essential commodities.'"

(3) "Add at the end the following:—

'but regret that in the Governor's Address there is no mention about the corresponding increase in the emoluments of the State Government servants on par with the Central Government servants residing in the City of Madras consequent on the classification of Madras City as an 'A' Class City.'"